



SPECIAL CITY COUNCIL MEETING AGENDA
Wednesday October 30, 2024 6:00 p.m.

Mission City Hall
6090 Woodson
Mission, KS 66202

This meeting will be held in person at the time and date shown above. In consideration of the COVID-19 social distancing recommendations, this meeting will also be available virtually via Zoom (<https://zoom.us/join>). Information will be posted, prior to the meeting, on how to join at <https://www.missionks.org/calendar.aspx>.

If you require any accommodations (i.e. qualified interpreter, large print, reader, hearing assistance) in order to attend this meeting, please notify the Administrative Office at 913-676-8350 no later than 24 hours prior to the beginning of the meeting.

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

ROLL CALL

1. 2025 Employee Benefit Renewals – Justin Carroll

Staff has worked with Lockton, the City's benefits broker, to present a benefits package for 2025. Each year, as part of recruiting and retaining good employees, staff seeks the most effective balance of robust benefits that still allows for a strong fiscal position. The recommendations for fiscal year 2025 are summarized in the attachments.

ADJOURNMENT

City of Mission	Item Number:	1.
ACTION ITEM SUMMARY	Date:	October 30, 2024
Administration	From:	Justin Carroll

Action items require a vote to recommend the item to full City Council for further action.

RE: Recommendation for 2025 Employee Benefits Program

RECOMMENDATION: Authorize the Mayor, or her designee, to execute any and all documents necessary to approve contracts for the City of Mission’s 2025 employee health/welfare benefits program.

DETAILS: Staff and the City’s benefit broker, Lockton Benefit Company, recommends employee benefits program for 2025 that is both supportive of the employees and fiscally sound for the City. Key items of note for 2025 include:

- **Medical Benefit** The City received a proposed health and welfare benefit offering from Blue Cross Blue Shield for the 2025 renewal which included a cumulative 9.4% increase over current rates. This is the first renewal for Mission after being moved from the large group segment to the small group segment which was required by 2025. There has been wide variability in the rate renewals from year to year, with no increases in 2020, 2021 or 2023, or 2024 and a 15% increase in 2022. If spread equally over the last six years, the average annual increase in health insurance costs has been 4.2%. Staff works to insulate against large swings annually by building excess funds into each year’s budget, since the final numbers are not available when the budget is finalized.

Medical plan offerings from the carrier may vary from the previous year based on claims experience or other factors, therefore the City may not have the option of matching the exact same benefits (deductibles, out of pocket maximums, etc.) during the renewal cycle. Each year, staff discusses potential plan design changes with Lockton to balance the desire for variety in plan offerings to meet the needs of employees and their dependents. The recommended plans for 2025 generally seek to keep benefits closely aligned with the current year, while offering affordable choices for both employee and employer.

This resulted in a cumulative renewal increase of 9.4%. A full breakdown of costs and coverage differences will be provided in advance of the special meeting on October 30, 2024.

- **Dental Benefit** Delta Dental provided a renewal with a 6% increase for 2025 after a 1.5% rate increase for 2024. This translates to a \$4.65 annual increase for individual coverage and a \$13.61 annual increase for family coverage.

Related Statute/City Ordinance:	NA
Line Item Code/Description:	Various personnel line items that make up the 2025 Budget
Available Budget:	\$2,100,000

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Action items require a vote to recommend the item to full City Council for further action.

The full recommendations for 2025 include:

- Renew three plan offerings with Blue Cross / Blue Shield of Kansas City to include: Spira Care, Blue Select Plus PPO and Preferred Care Blue PPO. For the Spira Care and Blue Select PPO plans, 80% of the premium will be paid by the City and 20% paid by the employee. For the City's premium health plan offering, Preferred Care Blue PPO, the employer/employee cost share is recommended to adjust to 75% of the premium being paid by the City and 25% being paid by the employee.
- Renew the dental insurance benefit plan with Delta Dental of Kansas with a 6% increase in premium rates and no change in plan structure. Maintain the current dental insurance premium structure of 80% paid by the City and 20% paid by the employees.
- Maintain the vision insurance benefit plan with EyeMed with no plan changes and 100% of the premium paid by the City. The plan is on a rate hold through January 1, 2029.
- Maintain basic Group-Term Life/AD&D benefits through These benefits are paid 100% by the City. The plan is on a rate hold through January 1, 2026.
- Maintain access to voluntary life insurance benefits through The Standard with all premiums paid 100% by participating employees.
- Continue to provide a Section 125 Flexible Spending Account through BASIC.
- Maintain access to voluntary supplemental insurance benefits through AFLAC with all premiums paid 100% by participating employees.
- Fund the KPERS and KP&F retirement plans in accordance with state mandated rates.
- Maintain the quarterly contribution of 2% of total earnings in the Principal Plan for non-KP&F employees, with no optional matching benefit.
- Implement a new Employee Assistance Program services with PAS. This new provider will be fully implemented and ready to begin providing services to prior to January 1, 2025.
- Fund a wellness program for City employees in the amount of \$10,000.

A memorandum with additional detail on each of the program elements is included in the meeting packet.

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CFAA CONSIDERATIONS/IMPACTS: The health benefits offered in the City’s benefit package represent services that can facilitate active participation throughout each phase of life. Access to community and health services is one of the six areas of focus for the Communities for All Ages checklist and providing some of that access in the workplace contributes to overall wellness in a fundamental way.

Related Statute/City Ordinance:	NA
Line Item Code/Description:	Various personnel line items that make up the 2025 Budget
Available Budget:	\$2,100,000

Date: October 30, 2024
To: Mayor and City Council
From: Justin Carroll, Deputy City Administrator
RE: 2025 Employee Benefits Program

Each year, staff seeks the most effective balance of robust benefits for our employees that still allows the City to maintain a fiscally responsible position. The City's benefit broker, Lockton Benefit Company, assists to evaluate, negotiate and recommend an employee benefits package. The recommendations for fiscal year 2025 are summarized below.

Medical Benefit

The City received a proposed health and welfare benefit from Blue Cross Blue Shield for the 2025 renewal which included a cumulative 9.4% increase from current rates. This is the first renewal for Mission after being moved from the large group segment to the small group segment which was required by 2025. There has been wide variability in the rate renewals from year to year, with no increases in 2020, 2021 or 2023, or 2024 and a 15% increase in 2022. If spread equally over the last six years, the average annual increase in health insurance costs has been 4.2%. Staff works to insulate against large swings annually by building excess funds into each year's budget, since the final numbers are not available when the budget is finalized.

Medical plan offerings from the carrier may vary from the previous year based on claims experience or other factors, therefore the City may not have the option of matching the exact same benefits (deductibles, out of pocket maximums, etc.) during the renewal cycle. Each year, staff discusses potential plan design changes with Lockton to balance the desire for variety in plan offerings to meet the needs of employees and their dependents. The recommended plans for 2025 generally seek to keep benefits closely aligned with the current year, while offering affordable choices for both employee and employer.

This resulted in a cumulative renewal increase of 9.4%. A full breakdown of costs and coverage differences will be provided in advance of the special meeting on October 30, 2024.

Recommendation: Renew three plan offerings with Blue Cross / Blue Shield of Kansas City to include: Spira Care, Blue Select Plus PPO and Preferred Care Blue PPO. For the Spira Care and Blue Select PPO plans, 80% of the premium will be paid by the City and 20% paid by the employee. For the City's premium health plan offering, Preferred Care Blue PPO, the employer/employee cost share is recommended to adjust to 75% of the premium being paid by the City and 25% being paid by the employee. Estimated budget is projected at \$953,731.

Dental Benefit

The City offers its employees dental coverage through Delta Dental of Kansas. The City's dental insurance plan provides an annual deductible of \$50 for an individual and \$150 for a family with an annual maximum of \$1,500, regardless of whether care is in or out of network. The plan also provides for 100% of preventive services and 80% of basic services within network. The program includes unlimited cleanings and the Right Start4Kids program which covers all services except orthodontics at 100% for dependents under the age of 13.

The City currently pays 80% of the premium rates and the employee pays 20%. Delta Dental is proposing a 6% increase in premiums for 2025. The employee's portion of the monthly premiums range from \$6.85 for an individual to \$20.02 for family coverage.

Recommendation: Renew the dental insurance benefit plan with Delta Dental of Kansas effective January 1, 2025 with a 6% increase in premium rates and maintain the current premium structure of 80% City and 20% employees. Estimated impact to the City's 2025 budget for the recommended dental benefits is \$45,410.

Vision Benefit

The City provides vision insurance to its employees through EyeMed. Vision benefit and premiums are paid 100% by the City. EyeMed issued a 4-year rate hold through January 1, 2029.

Recommendation: Continue vision benefits with EyeMed, effective January 1, 2025 with no increase in premiums. Maintain 100% of the premium paid by the City with an estimated impact to the City's 2025 budget of \$7,858.

Wellness Benefit

The employee wellness program encourages employees to earn points throughout the year by engaging in wellness activities such as doctor and dental visits, vaccinations, group workouts or attending wellness seminars at work. A secondary benefit to the program is the employee engagement and the chance to build relationships between employees across departments. Employees who achieve the minimum number of points earn \$400 at the end of the year. Forty-one employees have participated in at least one of the tracked activities to date in 2024. This is a significant increase over the historic performance of this program due to more varied programming and strengthened support from supervisors.

Recommendation: Maintain the wellness benefit in 2025 at \$400 for each participant that completes the annual wellness program, and fund biometric screenings and miscellaneous expenses for a budgeted wellness and employee engagement program in the amount of \$10,000.

125 Flexible Spending Account Benefit

The City offers a Flexible Spending Account (FSA) program (unreimbursed medical and dependent care expenses) through BASIC. The plan allows employees to set aside pre-tax dollars for qualified expenses eligible for reimbursement throughout the plan year.

There are currently 31 employees participating in the FSA with annual contributions totaling approximately \$65,000. Annual plan administration fees are approximately \$2,180. Participation in the plan saves both the employees and the City approximately \$4,972.50 in FICA taxes.

Recommendation: Continue to provide a Section 125 Flexible Spending Account through Basic with an estimated budget impact of \$2,180.

Basic Life / AD&D Insurance Benefit

The City provides a basic group-term life/AD&D policy through The Standard for all benefit eligible employees, paid 100% by the City. The City provides \$50,000 coverage for department directors, and \$40,000 for all other employees (unless reduced as a result of age). The plan is on rate hold through January 1, 2026. The coverage, paid 100% by the City, is estimated to be \$4,499.

Recommendation: Provide basic Group-Term Life/AD&D benefits through The Standard for 2024 with an estimated budget impact of \$4,499.

Voluntary Life Insurance Benefit

The City offers employees the option to purchase additional life insurance through The Standard. The plan allows employees to purchase insurance in increments of \$10,000 up to a max of five times their annual salary. The pricing is age rated and employees may purchase coverage for a spouse and dependents as well. The premiums are paid 100% by the employee. The voluntary life insurance benefit will renew at no rate increase. Premium may increase only if an employee crosses an age-band or they make specific application for an increase in coverage amounts.

Recommendation: Maintain access to voluntary life insurance benefits through The Standard with all premiums paid 100% by participating employees with no impact to the 2025 budget.

Voluntary Supplemental Insurance Benefit

Employees are provided the option to participate in a supplemental insurance benefit through AFLAC. Though AFLAC provides primarily short-term disability insurance, they also offer several other insurance options that employees can select to participate in given their needs. This benefit is paid 100% by the employees that choose to participate.

Recommendation: Maintain access to voluntary supplemental insurance benefits through AFLAC with all premiums paid 100% by participating employees with no impact to the 2025 budget.

Retirement Plan Benefit

The City participates in the Kansas Public Employee Retirement System and the Kansas Police and Firefighters retirement system (KPERs/KP&F) for all eligible employees. Contributions to these two systems are mandatory for both the City, as the employer, and the employees. Contribution rates are dictated annually by the plan and are as follows for 2024:

KPERs:	Employer	10.71% of Covered Payroll
	Employee	6.00% of earnings
KP&F:	Employer	24.67% of Covered Payroll
	Employee	7.15% of earnings

The estimated employer (City) contribution to KPERs/KP&F is approximately \$914,250 for 2025.

Recommendation: Fund the KPERs and KP&F retirement plans in accordance with state mandated rates for an estimated cost of \$914,250 for 2025.

Supplemental Retirement Benefit

Since 1980, the City has provided a supplemental retirement program for all non-public safety employees working more than 1,000 hours per year. This plan, through Principal, was put in place based on a desire by the City to help equalize the gap in the employer funded contributions between KPERs and KP&F. It has no impact on the KPERs benefits available to employees upon their retirement.

Recommendation: Maintain the contribution of 2% of total earnings in the Principal plan for non-KP&F employees, with no optional matching benefit. The estimated cost for 2025 is \$60,000.

Employee Assistance Program

In late 2024, the City will begin contracting with PAS for Employee Assistance Program services a switch from Telus Health/Lifeworks. The program offers mental health services, online toolkits, and additional behavioral health resources. The contract will end in December 2025 and has a flat annual rate of \$2,500.

Recommendation: Begin contracting EAP services with PAS through the termination of the contract in December 2025 at a cost of \$2,500.

Summary and Recommendation for Health & Welfare Benefits

The following is the recommended 2025 Employee Benefit Package.

- Renew three plan offerings with Blue Cross / Blue Shield of Kansas City to include: Spira Care, Blue Select Plus PPO and Preferred Care Blue PPO. For the Spira Care and Blue Select PPO plans, 80% of the premium will be paid by the City and 20% paid by the employee. For the City's premium health plan offering, Preferred Care Blue PPO, the employer/employee cost share is recommended to adjust to 75% of the premium being paid by the City and 25% being paid by the employee.
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- Maintain basic Group-Term Life/AD&D benefits through The Standard paid 100% by the City. The plan is on a rate hold through January 1, 2026.
- Maintain access to voluntary life insurance benefits through The Standard with all premiums paid 100% by participating employees.
- Continue to provide a Section 125 Flexible Spending Account through BASIC.
- Maintain access to voluntary supplemental insurance benefits through AFLAC with all premiums paid 100% by participating employees.
- Fund the KPERS and KP&F retirement plans in accordance with state mandated rates.
- Maintain the quarterly contribution of 2% of total earnings in the Principal Plan for non-KP&F employees, with no optional matching benefit.
- Implementing new Employee Assistance Program services with PAS. This new provider will be fully implemented and ready to being providing services to prior to January 1, 2025.
- Fund a wellness program for City employees in the amount of \$10,000.